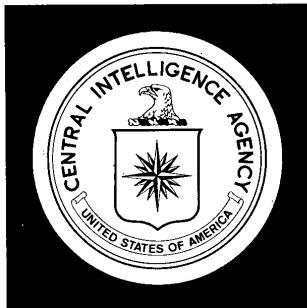


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The President's Daily Brief

September 7, 1974

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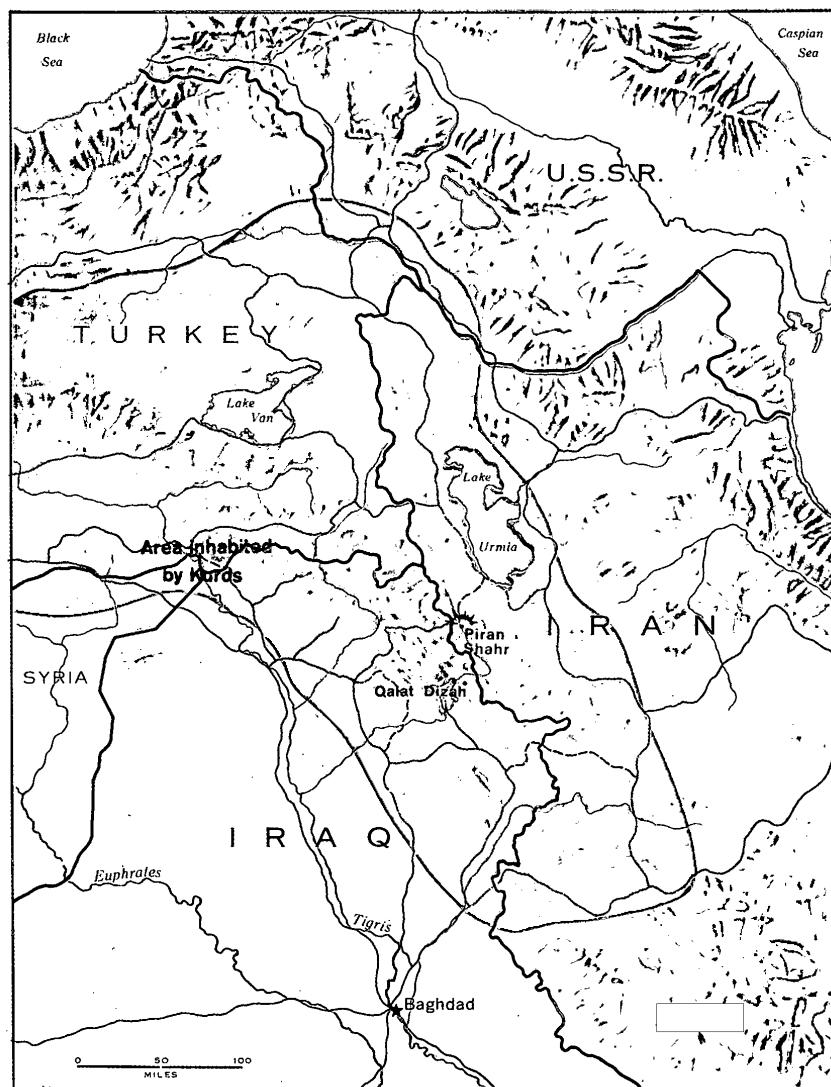
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IRAN-IRAQ

The Iraqi ground and air offensive that began last month has dealt a serious blow to the rebel Kurdish forces, but deep penetrations into Kurdish-held territory by the Iraqi army have prompted increased intervention by Iran.

Iraq has now committed over half its army, some 50,000 men, to the campaign against the Kurds. This force has made progress toward its two major objectives: splitting the Kurdish forces so that they can be dealt with piecemeal, and cutting off supplies from Iran.

Last month, the Iraqis drove a wedge between Kurdish units in the north and those in the northeast. As part of their strategy to establish a fortified line parallel to the Iranian border, the Iraqis also cut a main supply route from Iran.

The Kurds' strategy has been to stage delaying actions along the front, while maintaining harassing attacks in the rear of the main battle areas.

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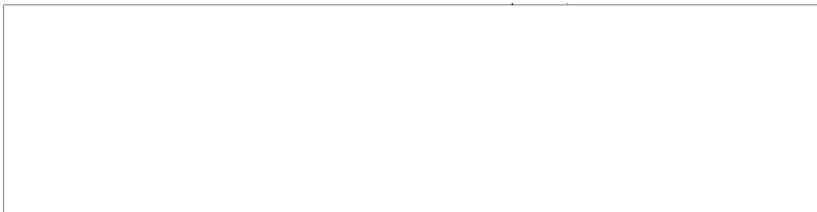
If the Kurdish military position continues to deteriorate, however, they will require not only more arms from Iran but also greater direct support by Iranian forces.

The main Iranian supply point now has been moved to Piran Shahr, some ten miles inside Iran. Two villages near Piran Shahr were struck yesterday by Iraqi SU-7 fighter-bombers. Press reports from Tehran claim that 15 people were killed. The air attack probably was not just an attempt to disrupt Kurdish supply lines but also a warning to Iran.

Tehran has submitted a complaint to the UN Security Council about this and other similar incidents and may even make some military response. After some border incidents last month, the Shah ordered his troops to retaliate for any Iraqi violation of Iranian territory.

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An assessment of the broader political implications of Iraq's war against the Kurds is presented at Annex.

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CHINA

Press reports from Peking Thursday night alleging a sudden downturn in the health of Chou En-lai were exaggerated because they were based largely on inaccurate information. Vice Premier Teng Hsiao-ping did tell the visiting US delegation, however, that the Premier's condition has deteriorated since last July, when Chou received Senator Jackson in a hospital room.

Teng has been standing in for Chou over the last few months, and there is little reason to doubt his statement on the Premier's health. Chou has been out of public view for five weeks. On Wednesday, he was absent for the first time from a meeting between Mao Tse-tung and a visiting head of state (in Wednesday's case, the President of Togo).

Although they are not trying to conceal Chou's illness, Chinese officials seem anxious to avoid alarming the populace over the Premier's condition. Earlier this week the official party newspaper carried a message from the Togolese President wishing Chou a speedy recovery. In addition, the media have carried a number of messages, signed by Chou, to foreign governments; this seems to be part of an effort to convey the impression that the Premier is still functioning.

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CYPRUS

Greek Cypriot leader Clerides reportedly believes that conditions are nearly ripe for him to enter into political talks and that the Greek government will support most of his conditions for negotiation. Clerides is said to be prepared to agree to the Turkish demand for a federated state, provided the Turks:

--Pull back from a section of Famagusta and permit Greek Cypriot refugees to return there.

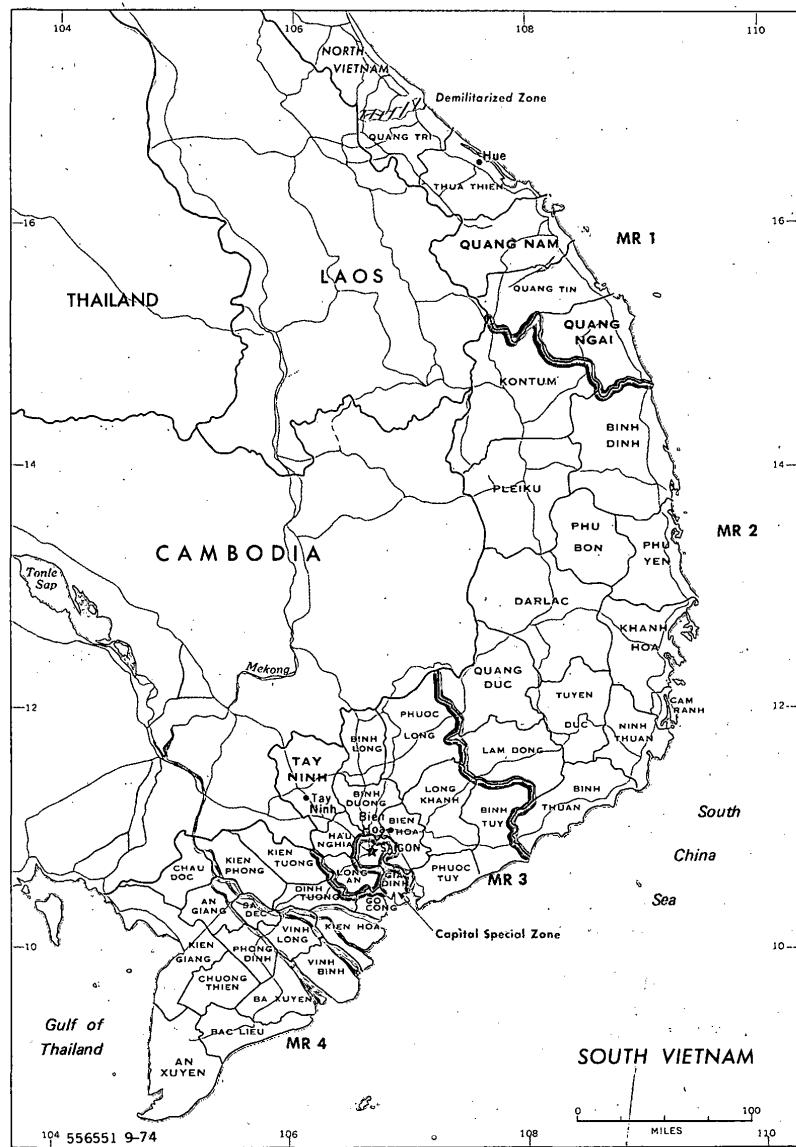
--Withdraw from some of the other territory they now hold and agree that the final boundary is negotiable.

--Withdraw a portion of their mainland troops now and announce their intent to consider additional troop withdrawals later.

Clerides met yesterday with the Turkish Cypriot leader, Rauf Denktash, and the two set up arrangements for the relief of prisoners and detainees on both sides. Priority will be given to the sick and wounded, as well as to those under 18 years of age and those over 50. The two leaders also agreed to exchange lists of missing persons and attempt to trace them. In compliance with the Geneva convention, they agreed to forward lists of prisoners and detainees to the International Red Cross.

According to the US embassy in Nicosia, senior UN officials are hopeful that Clerides and Denktash will begin to examine political questions after agreeing on humanitarian and relief matters. If representatives of Greece and Turkey can be brought into the talks at that stage, UN officials hope that it may be possible within a month to formulate the outlines of an overall solution, which could then be ratified at a reconvened Geneva conference.

The agreements on humanitarian problems came after a comprehensive survey of conditions on the island compiled by representatives of the Red Cross. The report concludes that the Turks have failed to meet even the minimum requirements of the Geneva convention. It notes that the 20,000-25,000 Greek Cypriots in Turkish-controlled areas have almost no freedom of movement and lack food and medical attention. Most of the 35,000-40,000 Turkish Cypriots in predominantly Greek areas were found to be leading reasonably normal lives.



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SOUTH VIETNAM

Battlefield action has lessened throughout the country during the past few days, but substantial fighting probably still lies ahead in September.

The focus of Communist attacks remains in the northern provinces where North Vietnamese troops are concentrating on government positions south of Hue. Although this area has been the scene of repeated and somewhat inconclusive combat since last spring, the government commander in Military Region 1 is concerned that the North Vietnamese may try to make a major push toward Hue. He has brought up additional forces from Quang Nam and Quang Ngai provinces as a reserve.

The communists may have sought to force just such a shift of government forces. The government units involved in the shift had been on operations designed to recover ground lost earlier to the enemy in Quang Nam and Quang Ngai. With their logistic position substantially improved since the cease-fire, the communists may attempt such whipsaw efforts against the government with greater frequency and impact.

To the South

North and west of Saigon, a new round of communist attacks is still expected in September after the completion of current communist supply operations and troop repositioning. Government positions near Tay Ninh City and northwest of Bien Hoa City are likely targets.

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The communist strategy in the Tay Ninh area appears to be to gain new footholds relatively close to the city and along the key logistic routes from Saigon. The communists would then be in a position during their next military campaign to bring substantial pressure on the relatively populous areas that lie near the roads, extending through Tay Ninh Province.

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The Weather Factor

As always in Vietnam the weather is an important factor in determining both the level and location of military action. Heavy rains are under way in the central highlands and will start soon along the northern coast. On the coast, this period initially favors the communists because the cloudy conditions hamper government air operations but do not deter ground action until the rains intensify. In the southern half of the country, where weather conditions will soon begin to favor air operations and troop movements, the government's capabilities will gradually improve.

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OAS

Early removal of OAS sanctions against Cuba, probably at an inter-American foreign ministers meeting at Quito on November 11, is foreseen by Latin American governments on both sides of the issue.

Panama's recent resumption of relations with Cuba brought to seven the number of OAS members that now have diplomatic ties with Cuba. This defiance of the Rio Treaty, under which the sanctions were imposed, has heightened concern for the continued integrity and effectiveness of the OAS. Even governments still hostile to the Castro regime now believe continuation of the sanctions policy could destroy the OAS.

A contributing factor is the widespread Latin sensitivity about outside interference in matters of national policy, which leaves the anti-Castro forces somewhat chagrined at obstructing sister republics that want to open the door to Cuba. Governmental changes in Washington, moreover, have increased concern that the US will alter its Cuban policy and leave the anti-Castro governments diplomatically isolated.

The sponsors of the resolution to review the sanctions policy have been careful to couch it in terms of a changed world situation and a spirit of detente. They recognize a continuing difference of opinion within the OAS regarding the Cuban subversive threat. For this reason, as well as to avoid provoking Castro, they hope to refrain from any discussion of whether Havana is continuing to export revolution. Using the co-existence argument, the sponsors are confident that they can secure the necessary two-thirds majority vote of the 23 members. They expect that a number of the governments once constituting a blocking one third plus one (Bolivia, Brazil, Chile, Haiti, Nicaragua, Paraguay, Uruguay, and the US) will now abstain.

The Castro regime sees no benefit in a reactivation of its suspended OAS membership and, despite Castro's stated interest in reconciliation with the US, the Cubans want no part of the OAS. They reject it as a tool of the US for dictating to Latin America and will continue to work toward its destruction. They would prefer to secure further diplomatic recognition in defiance of standing OAS sanctions and thus weaken the organization.

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ARAB OIL PRODUCERS

An oil transport company owned jointly by the Arab oil producing nations is reportedly requesting bids on six new tankers worth about \$165 million. These ships will further efforts of the oil producers to become more involved in the total range of oil-related business and industry.

By the end of the decade, the transport company plans to acquire a 10-million-ton fleet, costing about \$2 billion. This fleet together with the prospective national fleets of the Arab countries would total about 20 million tons. The ships would be able to carry about 2 million barrels per day on the Persian Gulf - Rotterdam route.

For purposes of comparison, the world tanker fleet by the end of the decade probably will exceed 400 million tons. Arab oil production in the early 1980s could range between 15 and 25 million barrels per day.

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ZAIRE-PORTUGAL-ANGOLA

A meeting between Zairian President Mobutu and Portuguese President Spinola that was postponed late last month is now set to take place in the Cape Verde Islands on September 14.

The Portuguese ambassador to the UN is "virtually certain" that the meeting will be attended by Holden Roberto, leader of the Zairian-based National Front for the Liberation of Angola, and by the leader of the smallest of the three Angolan nationalist organizations. According to the ambassador, the Portuguese hope to persuade the other major rebel group, the Popular Movement for the Liberation of Angola, to attend the meeting.

The Angolan liberation movements are long-standing and bitter rivals, and in recent years have been seriously weakened by organizational problems of internal feuding. The Portuguese apparently hope that Mobutu can influence them to reconcile their differences and negotiate for the territory's independence. Mobutu, a principal supporter of Angolan liberation, is determined that an independent Angola be governed by leaders friendly to Zaire. He will attempt to convince the Portuguese that Holden Roberto is the dominant nationalist figure in Angola.

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SOUTH KOREA - JAPAN

The [redacted] raid yesterday morning on the Japanese embassy in Seoul by a group of South Korean youths and a large demonstration there today are only the most dramatic of a series of developments that have intensified strains between the two countries.

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Japanese Foreign Minister Kimura's initial response to the attempted assassination of President Pak on August 15 was viewed in Seoul as unsympathetic. Over the past week, Kimura has become the focus of South Korean anger because of other statements which Seoul believes cast doubt on Japan's commitment to the security of South Korea and, more important, on the continuing primacy of the South in Japan's policy toward the two Koreas.

Seoul is pressing hard for redress from Japan in the form of public statements and diplomatic actions, including an expression of policy from Prime Minister Tanaka himself before he leaves late next week to visit Brazil, Mexico, Canada, and the US, where he will meet with you on September 21.

Further Strains in the Offing

A Japanese Socialist Party delegation which arrived in Pyongyang on September 5 can be expected to provide loud support for the North Korean cause. There is also an anti-Pak campaign under way in Japan which is pointed toward a massive leftist rally in Tokyo on September 19. The South Koreans will find still further fault with Japan on October 2 when a high-level North Korean delegation arrives for a meeting of the Inter-Parliamentary Union, the first time North Korea has participated in the work of that body.

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IRAQ, IRAN, AND THE KURDS

Although Iraqi forces have made gains over recent weeks, Baghdad will probably not be able to destroy Kurdish forces before late October, when bad weather will ground Iraqi aircraft and halt mechanized military operations. The Kurds' ability to withstand the Iraqi drive hinges in large part on the Shah's willingness to do whatever is necessary to keep the dissident movement alive. If the Kurds' military position continues to deteriorate, they will require not only stepped-up deliveries of arms from Iran, but possibly more direct involvement by Iranian forces.

Despite the recent setbacks, Kurdish morale appears good. There are more volunteers ready to join the Kurds than there are weapons to supply them. Reports from Kurdistan indicate that the rebels are more unified than ever; large numbers of educated Kurds, who in the past have been cool to Barzani's conservative leadership, are now reported to be joining rebel forces.

Later this year the Kurds may be able to re-take some of the positions they have lost recently, but they will need more equipment in order to hold them next summer. Even with poor equipment, the Kurds are likely to fight on. They fought the last war against the Iraqis in 1970 despite severe supply deficiencies.

The Iranian Role

For some time Iran has provided the Kurds with equipment, munitions, and military advisers. It also provides food, medicine, and money, and maintains refugee camps for Kurds who flee the fighting. Tehran admits only to providing humanitarian aid. According to the Iranians, the current fighting has pushed the refugee total over 70,000.

Iraq's recent successes have prompted the Kurds to ask for increased support, and Tehran has made a positive but limited response. Iranian army and gendarmerie units along the border have been reinforced [redacted] and used in show-of-force maneuvers.

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Of greater significance, however, was the movement last month of Iranian artillery to the border where, for the first time, it was used to support a Kurdish counterattack against Iraqi armor in the Qalat Dizah area.

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The Shah's Options

Unless the Shah reverses himself, the likelihood of direct clashes between Iraq and Iran increases as Baghdad's troops push closer to the border. The Shah might deepen Iran's involvement if he concludes that this is the only alternative to a crushing defeat of the Kurds. The use of Iranian artillery represents a step in that direction and shows that the Shah considers continued Kurdish resistance important enough to justify a more direct Iranian role. The Iranians, of course, will do their best to ensure that this military aid remains unprovable in international forums.

Barring a sudden collapse of the Kurdish resistance, Iran's most likely course is to intensify what it is already doing. It could increase artillery support from Iranian territory, provide heavier and more sophisticated weapons, and even stage diversionary border incidents farther south to draw off Iraqi forces. Border violations such as the Iraqi bombing yesterday of two Iranian villages near Piran Shahr--the main supply depot for the Kurds--could be used by Tehran to justify launching a limited military action along the border. The Shah might also agree to send more Iranian personnel in mufti to help the Kurds.

Open intervention by Iranian ground forces seems unlikely. This would force Arab governments, recently courted by Iran, to choose between it and Iraq--a fellow Arab state. It also would undermine Iran's efforts to strengthen ties with neighbors who already are apprehensive about its growing military power.

Bilateral Relations

The Shah believes his interests are well served by Baghdad's preoccupation with the Kurdish problem and by Iraq's isolation in the Arab world. He therefore wishes to keep Kurdish resistance alive, and shows little interest in a rapprochement with Iraq, with whom he has long been at odds.

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The Iranians believe the greatest threat to their goals in the Persian Gulf is the growth of radicalism, and Iraq is seen as its chief sponsor. The Kurdish rebellion puts domestic political strains on the Baghdad regime, drains resources, and inhibits Iraqi efforts to sponsor subversion against the Shah and other traditional Gulf rulers.

Iraq, on the other hand, is under pressure from several Arab countries to seek an accommodation with Iran as a prerequisite for resolving the Kurdish problem. Moreover, domestic political divisions have been deepened as a result of the current fighting and threaten the stability of the Iraqi regime.

There have been some signs over recent months that the Iraqis were seeking rapprochement with Iran. Baghdad took the lead, for example, in starting preliminary bilateral talks on a range of outstanding issues, including border demarcation, in Istanbul last month. After two weeks, however, the meetings ended with not much sign of progress.

Baghdad's View'

We do not know whether the Iraqi air strike near Piran Shahr signals a radical change in Baghdad's policy. The bombing was apparently intended in part as a warning to the Shah against stepping up deliveries of military equipment to the Kurds and against increased involvement of the Iranian army on the side of the rebels. The strikes indicate that the Iraqis are probably prepared to use air power against Iranian artillery, mortar and anti-tank units along the border suspected by Baghdad of having given fire support to the Kurds.

The Iraqis are aware of the risks incurred in carrying out air strikes against Iranian territory. With a large part of their ground forces tied down against the Kurds, the Iraqis are not able to engage in major ground actions against Iran. Hence, Baghdad will seek to avoid an outright military confrontation.

Implications for Iraq

The unending war with the Kurds could become an increasingly onerous political liability for the regime. If the army gets bogged down later this year, political infighting could grow in Baghdad. There could be an open power struggle at the top between President Bakr and Baath Party strongman Tikriti, who have been at odds for some time. Other possibilities include a move against the two leaders by Baath

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Party critics with army support, or an independent move by the army. In the past two months, there have been signs of increasing military dissatisfaction with the prolonged, inconclusive war.

Tikriti put his reputation on the line when the fighting began in March by promising the Baath Party that the war would be over in September, but his position remains strong. He controls the party security apparatus, which gives him early warning of potential troublemakers both within the party and the army.

Even if the Iraqi regime were overthrown, there probably would be no sudden shifts in domestic or foreign policy--except perhaps for the handling of the Kurdish question. The Iraqis are so heavily dependent on the Soviet Union for deliveries of sophisticated weaponry that any regime that takes power is unlikely to loosen ties with Moscow.

Soviet Stakes

Moscow's interest in protecting and improving its position in Iraq has led it to become deeply involved in supporting Baghdad against the Kurds, despite significant misgivings about Iraqi policy. Soviet military assistance and advice have played a major role in the successes the Iraqi military has achieved.

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During the past ten days, Soviet air transports have apparently delivered sorely needed arms to Iraq.

The Soviets are concerned that Iranian involvement will lead to increased Iraqi demands for support, and eventually endanger Soviet-Iranian relations. Soviet support for Iraq has impeded Moscow's attempts to improve ties to Tehran.

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